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**CONFIDENTIAL** ~~SECRET~~

ATTN : Comptroller  
 Chief, Planning and Field Audit Branch  
 Chief of Logistics

JUL 8 1953

Contract No. RE 53-51, Shortages in Government-owned Tools  
 and Equipment

1. Reference contract covered all construction work performed [redacted] In the course of said contract, Government-owned tools and equipment, to the total list price value of \$2,590.67, turned up short in the final inventory of the project. Although the expendability of some of the items, [redacted] (see attached list), might be considered questionable, the great majority of the items, [redacted] were definitely expendable. The shortage consisted almost entirely of used or broken equipment.

2. In consideration of the magnitude of the project, the wide dispersion of the sites at which the work was done, the assurance that all reasonable precautions against theft and misappropriation were taken by the contractor, it is felt that the losses indicated above are not excessive, and that the cost to the Government of a more intensive control of the losses would have exceeded the saving.

3. Authorization is therefore granted to make full payment to the contractor of that portion of the fee being withheld pending settlement of responsibility for reference shortages.

4. Copies of list of "Shortages in Government-owned Tools and Equipment in the possession of the prime contract" and letter dated 22 May 1953 from [redacted] are attached for reference purposes.

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**CONFIDENTIAL** S. A. GARRISON

Attachments:

As stated in par. 4

LO/RE

Retyped LO/AC/CRH/mel (7 July 53)

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